

# HALLGARTEN & COMPANY

## Initiation of Coverage

Christopher Ecclestone  
[ceccestone@hallgartenco.com](mailto:ceccestone@hallgartenco.com)

## Blue Sky Uranium (TSX-V: BSK) Strategy: LONG

| Key Metrics                   |               |
|-------------------------------|---------------|
| Price (CAD)                   | \$0.130       |
| 12-Month Target Price (CAD)   | \$0.32        |
| Upside to Target              | 146%          |
| 12 mth high-low               | \$0.10-\$0.62 |
| Market Cap (CAD mn)           | \$6.36        |
| Shares Outstanding (millions) | 48.9          |
| Fully Diluted (mns)           | 88.7          |

# Blue Sky Uranium

## The Power of Persistence

- + District-sized Uranium/Vanadium deposit(s) in Patagonia make Blue Sky the most significant Uranium player in Argentina
- + The country has an aggressive nuclear expansion campaign, from an existing base of several reactors
- + The soaring Vanadium price gives a potential kicker to any mine plan calculation
- + Public opposition to nuclear power is almost non-existent and the country has an energy shortage
- + The company is a key component in the well-connected Grosso Group
- ✘ Uranium's spot price remains in the doldrums with all attempts at recovery being thwarted
- ✘ Financing remains a problem in the Uranium space. The rise of Vanadium as a co-product could help attract finance for a minebuild

### **The Power of Persistence**

Doing business in Argentina can be tough but also very rewarding. Blue Sky Uranium deserves credit for having stuck to its development strategy with the double burden of weak Uranium sentiment and largely negative sentiment towards Argentine mining projects during the dark years of the Kirchner regime. BSK is a Uranium (and more recently Vanadium) exploration company with more than 4,600 km<sup>2</sup> (460,000 ha) of tenements. Its mission is to acquire, explore, and advance a portfolio of uranium & vanadium projects with an emphasis on surficial deposits, and management is focused on advancing its discoveries.

### **The Grosso Group**

Blue Sky is a member of the Grosso Group, a management company specializing in Argentina since 1993 and headed by Joe Grosso, Argentine-born and a sometime Prospector of the Year.

The principal vehicle in the group is Golden Arrow (GRG.v) on which we launched coverage earlier this year. The group also includes Argentina Lithium & Energy Corp (LIT.v) and Blue Sky Uranium (BSK.v). We have covered Blue Sky in the past in our review of Argentina's uranium potential back in 2013.

As a member company, Blue Sky benefits from the signing of an agreement in principle for a strategic alliance with the Government of the Rio Negro province, Argentina, for the purpose of jointly exploring the potential for commercial mining activity.

### **Vanadium in the Mix**

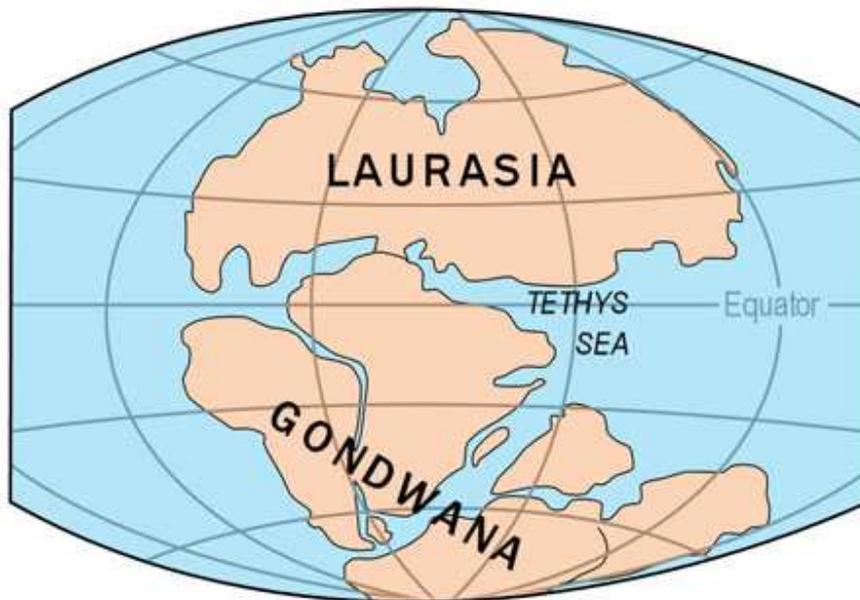
Last decade Vanadium surfaced as a subject of interest primarily tied to the fortunes of the then-

booming steel industry through its use as an alloy. Now Vanadium is coming back with a vengeance due to underinvestment in new projects, the Chinese decision to increase the metal's percentage in steel alloys and for its potential in mass electricity storage devices, namely the Vanadium Redox Battery (or VRB). The recently soaring price of this metal has swung the focus onto upcoming projects, of which there is a paucity. In the absence of pure Vanadium plays the most obvious candidates with projects being advanced (or in a holding pattern) is the Uranium space where sandstone-hosted Uranium deposits frequently come with Vanadium as the co-product. This is the case with Blue Sky.

This offers the interesting possibility that Vanadium can be a new factor in economics of otherwise paralysed uranium projects as the Vanadium component makes the projects imminently (and eminently) viable as the price of this metal rises.

### **The Geological Perspective**

The attractiveness of Argentina for uranium exploration has much to do with the historical background. By historical we are not talking recently but rather across the eons, in fact back to the break-up of Gondwanaland. In this process of continental drift the current continents of South America and Africa parted company, with Argentina being sheared off from Namibia. The state of Gondwanaland some 200 million years ago is shown in the map below.



Namibia was long famous for its diamonds but is now better known for its uranium deposits and it is with this geological history as a foundation that experts have posited that Argentina, particularly Patagonia, might share the uranium wealth that Namibia does.

Most of the uranium-vanadium found to date on BSK's Amarillo Grande property has consisted of carnotite mineralization in a surficial deposit type setting with the obvious parallel being the surficial uranium deposits of Namibia including the massive Langer Heinrich.

### Uranium Deposits

Argentine uranium resources listed in the International Atomic Energy Agencies' Red Book total only about 15,000 tonnes of  $U_3O_8$ , though the CNEA estimates that there is some 55,000 tonnes as "exploration targets" in several different geological environments. Uranium exploration and limited mining was carried out from the mid-1950s, but the last mine closed in 1997 for economic reasons. Cumulative national production until then from open pit and heap leaching at seven mines was 2,509 tonnes of Uranium.

### The Amarillo Grande Project

This project is the company's main focus and is located in central Rio Negro province, in the Patagonia region of southern Argentina. This new uranium district was an in-house discovery for Blue Sky. Under the supervision of Dr. Jorge Berizzo, Blue Sky selected Rio Negro as a high-potential location for new uranium deposits.

The properties are all road accessible from major centres, such as Valcheta or Neuquen, via the gravel Provincial Road 66, approximately 65 kilometres south of the town of Villa Regina. Villa Regina has the fifth largest population in the province of Rio Negro with approximately 28,000 inhabitants.

The region is flat lying, located at an elevation of approximately 200 metres, has an annual rainfall of less than 300mm, semi-arid environment, very low population density, and allows year-round exploration with access via well-maintained gravel roads.

In November of last year the company added to the long-held existing holdings here with the staking of ten new exploration properties (*cateos*) totaling 100,000 hectares in the core of the 140-



kilometre mineralized trend. The company claims that it now controls all of the most prospective targets in this new uranium district, with total land holdings of over 280,000 hectares.

The other 180,000 hectares that the company holds are in Chubut province and other parts of Rio Negro (as per the map on the preceding page).

### **Deposit Type**

The Amarillo Grande project is being explored for both Surficial and Sandstone-type uranium deposits. Most of the mineralization found on the properties to date has the characteristics of Surficial Uranium Deposits in which uranium occurs in sediments or soils of relatively young age (Tertiary to Recent) in association with secondary carbonate minerals that form lenses or blankets of calcrete. However, these types of secondary deposits are interpreted as being sourced from earlier-formed Sandstone-type uranium deposits that are expected to be preserved at depth.

Surficial calcrete deposits typically form in semi-arid to arid uranium-rich districts adjacent to uranium source rocks (granites or ash flow sequences) or primary uranium. The main uranium mineral in these deposits is typically carnotite, a yellowish hydrated potassium uranium vanadium oxide.

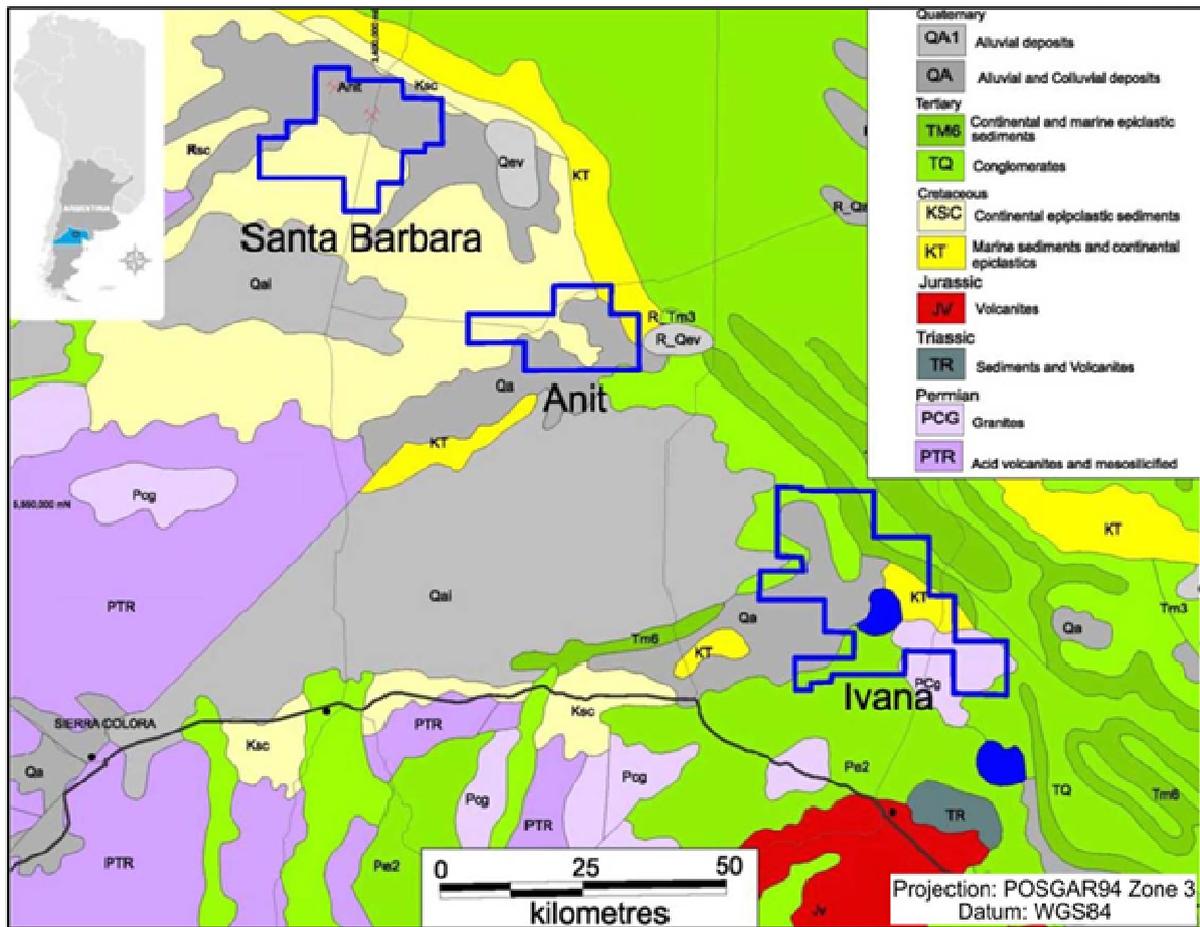
A prime example of a Surficial Uranium deposit is the Yeelirrie deposit in Australia operated by Cameco. That deposit contains 127.3 million pounds of U<sub>3</sub>O<sub>8</sub> in Measured and Indicated resources and will be mined from shallow pits up to 10 metres deep with the ore being processed using alkaline leaching.

In some of the recent strongly mineralized holes at Blue Sky's Ivana deposit, potentially primary mineralization was observed and the deposit style appears to include more characteristics of sandstone-type deposits. Sandstone deposits represent approximately 18% of world uranium resources, with grades of typically 0.05 to 0.35% U. These deposits are a leading source of uranium production in Kazakhstan, the USA and Niger.

### **Project Geology**

Defined mineralization at Amarillo Grande is found in three properties (Ivana, Anit, and Santa Barbara) along a 140km trend. Mineralization at all three properties occurs at or very near surface, in weakly-cemented host rocks, making simple and inexpensive open pit mining a likely development scenario. Uranium mineralization found to date is in the form of the leach-amenable mineral carnotite as coatings on pebbles. Preliminary metallurgical work on samples from Anit indicates that a simple wet-screening technique could be used onsite to concentrate and upgrade this material, which could significantly reduce transport and processing costs.

Regionally at the Amarillo Grande Project, quaternary gravel and sand deposits cover most of the area, and outcrops are scarce. Middle to Upper Tertiary sedimentary sequences overlap unconformably on the Mesozoic units. The Tertiary sequences include fluvial and marine sediments at the base grading upwards into continental sediments and volcanic flows.



Uranium mineralization on the properties is in the form of carnotite hosted by unconsolidated to well-sorted reddish and yellowish sands and gravels, commonly covered by calcrete. These sediments are interpreted as stacked paleochannels of a Tertiary fluvial system developed during an active volcanic period relating to uplift to the west. This fluvial system is intercalated with marine-coastal sediments to the south.

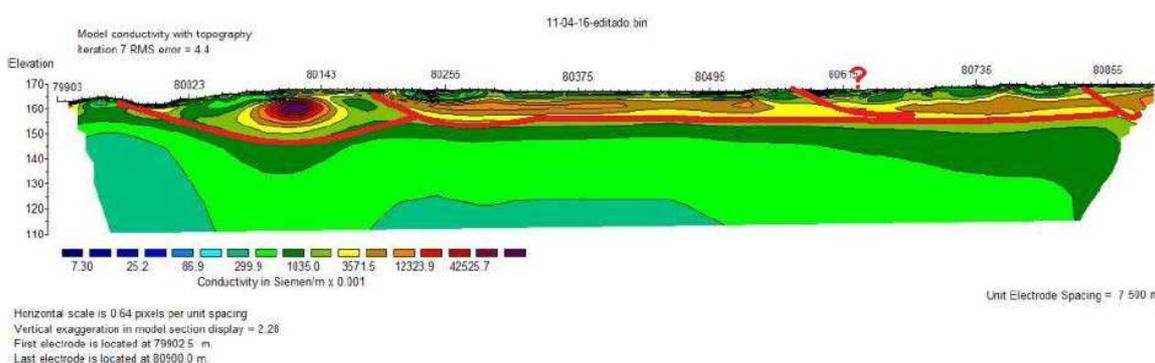
According to the company's geologists there are many possible sources of uranium in the District, including uranium rich-granites, volcanic rocks and primary uranium deposits within the underlying Cretaceous sediments. The presence of different potential sources enhances the chances of having uranium available to be mobilized within aquifers and along paleo-fluvial systems redox front traps where uranium-deposits are formed.

### Exploration

In 2007 the first airborne radiometric survey led to discovery of zones of uranium mineralization at the Anit and Santa Barbara properties. A second large-scale airborne radiometric survey in 2010 led to the acquisition of the Ivana property. More than 23,000 km<sup>2</sup> of radiometric and magnetic survey has been

carried out, the first of survey of its kind ever conducted in the region. This has resulted in the discovery several large new mineralized systems that are associated with the radiometric anomalies. Surface follow-up by Blue Sky of the Santa Barbara and Anit systems has discovered abundant uranium-bearing petrified wood and visible yellow uranium mineralization on and near surface.

Blue Sky has completed an initial ground geophysical survey at the Anit property of the Amarillo Grande Project using Electrical Tomography (ET). Results from the survey indicate that ET is a useful indirect tool to define near-surface ancient river channels, or paleochannels, and high-conductivity horizons that potentially host uranium mineralization. Based on these results, the company launched a fifteen kilometre ET survey over the main targets within the Amarillo Grande project. The results of this survey are shown in the cross-section with the red representing the paleochannels.



This program has helped to refine targets for a 10,000 metre RC drilling program currently underway. The campaign began in January of 2017 and currently has completed 3,800 metres of drilling (mostly shallow averaging 15-20 metres, with deepest being 43 metres). This is being accompanied by geophysics to ascertain targets.

In mid-September the drilling results for the Phase I Extension RC drilling on the Ivana target and the Phase I results from the remainder of the Amarillo Grande project were announced. The Phase 1 and Phase 1 extension RC drilling program included a total of 3,730 metres of RC drilling in 256 holes.

### **The Ivana Target**

At the Ivana target, RC drilling on the eastern flank of the previously-reported Phase I drilling area defined a strongly mineralized corridor that extends more than 2kms in a northeast direction, is between 200 and >400 metres wide, up to 20 metres thick, and is open to expansion to the southeast and to the north.

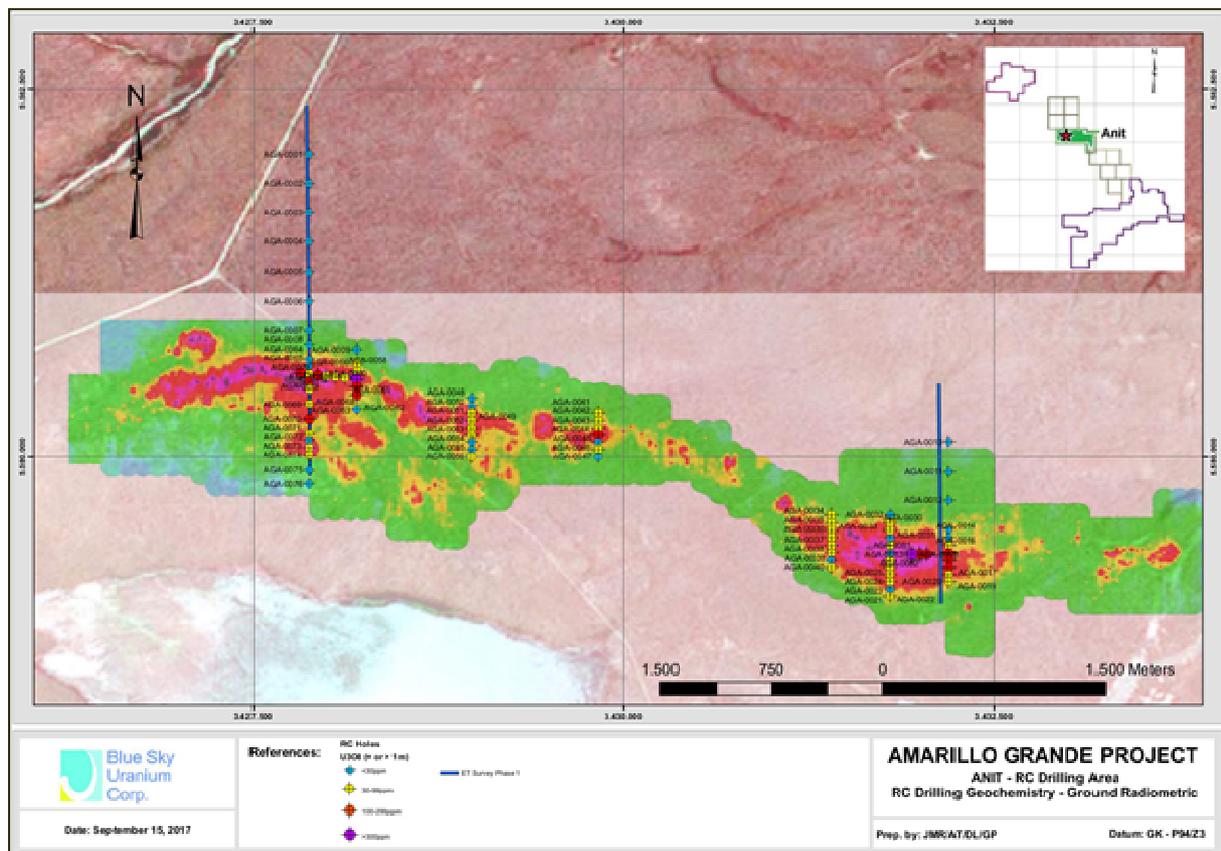
This largely continuously mineralized zone includes a higher-grade core zone over one kilometre in length, which includes drill intercepts of up to 3,136 ppm  $U_3O_8$  over one metre (AGI-0100). Strong

uranium grades were also present within the interpreted southeastern extension (942ppm  $U_3O_8$  over one metre in AGI-0124); and, the northern extension (817ppm  $U_3O_8$  over one metre - AGI-0138).

The first 98 holes from Ivana were previously reported in June, 2017. Based on the first set of results, a follow-up program was designed, including additional electrical tomography (ET) geophysical surveying and 60 RC drill holes totaling 858 metres, to further define an area with elevated uranium-vanadium on the eastern flank of the previously-drilled area. Overall, approximately two-thirds (104) of the 158 holes at Ivana returned intervals of at least one metre of more than 30 ppm  $U_3O_8$  and grades ranged as high as 3,136 ppm over 1 metre. The mineralized area now covers approximately 3,400 metres x 1,300 metres with depths to 23 metres, including higher-grade zones.

The mineralized corridor remains largely open to extension to the southeast and potentially connects with the >1000 grade x thickness area on the eastern flank of the currently drilled area, also is open to expansion. The mineralized corridor is potentially also open to expansion to the north. The mineralization along this trend of holes is more variable and includes intervals of 7 metres of 255 ppm  $U_3O_8$  and 171  $V_2O_5$  (AGI-138) including a single interval of one metre of 816  $U_3O_8$  and 205  $V_2O_5$ .

Additional geophysical surveys and RC drilling to define the expansion potential of mineralized corridors is ongoing at Ivana and metallurgical testwork is also progressing on material from Ivana.



## Anit Target

The work at this target shows that this is the place to be for Vanadium mineralisation on the property. Drilling at Anit included 83 holes for a total of 1170 metres (shown on the map on the preceding page), with the deepest holes drilled to 20 metres. The program was designed to audit previous exploration results as well as test adjacent areas for extensions to mineralization.

The program successfully confirmed the spatial correlation of the previously recognized mineralized zones. Out of 83 holes drilled, 53 returned intervals with at least one metre of more than 30 ppm U<sub>3</sub>O<sub>8</sub>. This area is particularly well-mineralized in Vanadium with 55 of the holes returning intervals of at least one metre of 500 ppm V<sub>2</sub>O<sub>5</sub>, with values reaching as high as 3,411 ppm (0.34% in AGA-049).

### Anit Target Phase I Drill Hole Highlights

| Hole #    | From (m) | To (m) | Interval (m) | U3O8 (ppm) | V2O5 (ppm) |
|-----------|----------|--------|--------------|------------|------------|
| AGA-0044  | 1        | 6      | 5            | 137        | 400        |
| including | 1        | 2      | 1            | 484        | 539        |
| AGA-0051  | 0        | 4      | 4            | 113        | 1,177      |
| including | 2        | 3      | 1            | 315        | 2,085      |
| AGA-0059  | 0        | 4      | 4            | 463        | 1,494      |
| including | 1        | 2      | 1            | 1,114      | 2,510      |
| AGA-0077  | 1        | 4      | 3            | 250        | 985        |
| including | 2        | 3      | 1            | 511        | 1,808      |
| AGA-0078  | 0        | 4      | 4            | 336        | 1,478      |
| including | 0        | 2      | 2            | 535        | 1,486      |
| AGA-0081  | 0        | 7      | 7            | 238        | 418        |
| including | 2        | 3      | 1            | 704        | 894        |
| AGA-0082  | 0        | 2      | 2            | 277        | 514        |
| including | 0        | 1      | 1            | 468        | 652        |
| AGA-0083  | 0        | 7      | 7            | 382        | 384        |
| including | 3        | 4      | 1            | 1,007      | 678        |

The **Santa Barbara** Target received its first drill program this year in what was considered a scouting program. Overall it was disappointing with fifteen holes drilled, ranging from 4 to 25 metres length, for a total of 312 metres. Values of uranium and vanadium were low in all holes. As a result this target area has been deemed a low priority for follow-up work.

Integrating the results of the 2017 RC drilling with the previous pit sampling, trench sampling and aircore drilling data is ongoing and is aimed at refining future infill and step-out drilling plans. The goal of this is to have a maiden Resource Estimate (on Ivana) out in the first quarter of 2018.

## **The Background Music**

The major event in the last year has been the change of government in Argentina. After nearly a decade and a half of irregular iconoclastic governments in Argentina ruled most recently by the dynasts of the Kirchner family, and before that the Duhalde regime, the country has returned to a certain orthodoxy with the election of Mauricio Macri as President in the last quarter of 2016. While not reinserting Argentine directly into the good books of mining investors it has certainly made thinking about the possibilities not being grounds for insanity. Amongst the measures taken so far that have enhanced the perspective for miners are:

- ✓ Lifted currency controls – devalued Peso may result in lower costs for project development
- ✓ Eliminated export taxes on concentrates and gold/silver doré
- ✓ Some import restrictions lifted – may allow better sourcing of equipment

These changes have removed the major bugbears of foreign miners operating in the country. This reopening has coincided with the Lithium boom which has placed Argentina at the centre of the action because of its ample supply of *salares* in its northwestern provinces. Hopefully a uranium resurgence will follow in its wake.

## **Argentina – the Low-Key Nuclear Powerhouse**

When we say Argentina is a nuclear power we are not referring to the club of those armed with bombs but rather the similarly small group of countries that generate electricity from nuclear power. Moreover unlike many of those in retreat from an activity they hate to need, Argentina without any fanfare is adding a third reactor to its existing two reactors.

Argentina has also been active in nuclear power generation & research and uranium mining since the middle of last century. Some 10% of current electricity needs are met from nuclear power stations in the country. The *Comisión Nacional de Energía Atómica* (CNEA - Atomic Energy Commission) was set up in 1950 to oversee nuclear R&D, including construction of several research reactors. Currently, five research reactors are operated by CNEA and others. Another is planned, similar to the Opal reactor built in Australia by Argentina's INVAP. An example of the country's membership of the front ranks of nuclear technology nations is that Argentina's CAREM small modular reactor design is under consideration for massive desalination projects in Saudi Arabia.

## **The Power Program**

The long-term goal of Argentina's governments (irrespective of political colour) is for nuclear power to be part of an expansion in generating capacity to meet rising demand. The government has signed co-operation agreements with China and UAE and Argentina and has received a loan from the development

bank of Latin America to extend the life of an existing reactor. All this is directed towards Argentina's push to grow its nuclear capacity.

Currently two nuclear reactors generate nearly 10% of the country's electricity and a third reactor is being refurbished. The backstory to these is that in 1964, the focus shifted to nuclear power, and following a feasibility study for a 300-500 MW unit for the Buenos Aires region, bids were invited.

That plant, known as Atucha 1 was built at Lima, 115 km northwest of Buenos Aires, and entered commercial operation in 1974. It has a pressure vessel, unlike any other extant heavy water reactor, and it now uses slightly enriched (0.85%) uranium fuel which has doubled the burn-up and consequently reduced operating costs by 40%.

The Embalse plant entered commercial operation in 1984, running on natural uranium fuel. In 2010, an agreement was signed to refurbish the plant to extend its operating life by 25 years and increase its power output by around 7%. It was for a long while running at about 80% capacity to limit neutron damage to pressure tubes.

In 1979, a third plant – Atucha 2 – was ordered following a government decision to have four more units coming into operation in the period 1987-97. It was a Siemens design, a larger version of unit 1, and construction started in 1981 by a joint venture of CNEA and Siemens-KWU. However, work proceeded slowly due to lack of funds and was suspended in 1994 when the plant was 81% complete.

In 1994, Nucleoeléctrica Argentina SA (NA-SA) was set up to take over the nuclear power plants from CNEA and oversee construction of Atucha 2.

In 2003, plans for completing the 692 MW Atucha 2 reactor (745 MW gross) were presented to the government. Effective completion of Atucha 2 construction was in September 2011. On June 3, 2014 reached its first criticality, and on June 27, 2014 began to produce energy.

On 19 February 2015, the plant reached 100% power production for the first time, increasing the percentage of nuclear power in Argentina's energy mix from 7% to 10%.

It is important to note that Argentina's nuclear program currently sources its uranium supplies from Kazakhstan and Canada which is a strange situation considering that it has its own supplies in the shuttered CNEA mines and the prospects of Blue Sky Uranium.

### **Further Expansion**

As mentioned earlier, in August 2006, the government announced a US\$3.5 billion strategic plan for the country's nuclear power sector. This involved completing Atucha 2 and extending the operating lifetimes of Atucha 1 and Embalse. The life of the Embalse CANDU-6 type plant will be extended by 25-30 years in partnership with Candu Energy Inc. This latter firm is a subsidiary of SNC-Lavalin Group which took over Atomic Energy of Canada Ltd reactor division in 2011.

Embalse's power output is planned to be increased by about 35 MW under the latest plan. The plant was shut down in December 2015 to have its steam generation units replaced. The plant is expected to be offline until 2018 and will have a power uprate to a gross capacity of 683 MW.

A feasibility study on a fourth reactor has been undertaken, originally planned to start construction after 2010 with a US\$2bn capex projected. In July 2007, NA-SA signed an agreement with AECL to establish contract and project terms for construction of a 740 MWe gross Enhanced CANDU 6 reactor, as well as completing Atucha 2. A further 740 MWe Enhanced CANDU 6 unit was proposed. However, the government has been talking also with reactor vendors from France, Russia, Japan, South Korea, China and the USA, indicating that its fourth and fifth reactors are more likely to be LWR type, with Atucha the most likely location.

### **Deal with AREVA**

One of the interesting things about Blue Sky is that it appears to be AREVA's anointed partner in Argentina. In January 2012, BSK announced that the company had entered into a Memorandum of Understanding with the French uranium giant, AREVA Mines, to jointly explore Argentina for uranium deposits. Nothing much happened after AREVA had to do a tactical retreat but it has never taken its eye off the developments in Argentina as this is exactly the type of country (with an extant nuclear industry) that it needs to be positioned. We would not be surprised to see the arrangement revived.

### **Directors/Management**

The President and CEO is **Nikolaos Cacos**. He has around 22 years of management expertise in the mineral exploration industry. He has extensive experience in providing strategic planning to and administration of public companies. He serves as a director and officer of several publicly traded companies. He holds a Master of International Management degree from Heidelberg, Germany and a Bachelor of Science degree from the University of British Columbia.

**David Terry** is a non-executive director. He is an economic geologist, senior executive and corporate director with more than 25 years' of international experience in the mineral resources sector. He has played key roles in the successful acquisition, exploration and development of a number of precious and base metal deposits, primarily in North and South America, and has expertise in advanced project evaluation, M&A, corporate finance, and design and execution of effective exploration programs.

He has held executive positions and directorships with a number of publicly-listed and private mineral resource companies; he currently serves as a director of Golden Arrow Resources, Great Bear Resources Ltd., and as President and CEO of Comstock Metals Ltd. He has also worked with a number of senior mining companies including Boliden Limited, Westmin Resources Limited, Hemlo Gold Mines Inc., Cominco Limited and Gold Fields Mining Corporation.

He holds a B.Sc. and Ph.D. in geology from Western University in Ontario and is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

**Darren Urquhart** is an executive director (and the CFO and Corporate Secretary). He is a Chartered Accountant with more than 10 years of experience working in both public practice and industry. He is presently engaged in public practice accounting offering CFO and accounting services to TSX Venture Exchange listed exploration companies in the Vancouver area. He began his career working as an audit accountant with Grant Thornton LLP, then later worked as a senior tax accountant with Lohn Caulder Chartered Accountants and more recently served as a consultant to an international private equity company. He is a member of the Institute of Chartered Accountants of British Columbia.

### **Risks**

The main risk for most uninformed observers would be Argentina itself but it is clear there are various reasons why Argentina should embrace the possibility of domestic uranium production. Indeed Argentina now has a regime that is both pro-mining and pro-nuclear, a rare combination. Despite those positives we would note the following risks:

- Uranium prices remain mired in despondency
- Uranium production, even when conducted by the government, has attracted some opposition in Argentina in the past
- Financing of Uranium projects remains a problem
- Some provincial governments are against open pit mining and maybe against mining of radioactive materials as well

Much depends on the level of support given to any given project by the national government. Mining by state interests in Argentina has been traditionally very poorly managed and massively loss-making. It also frequently involved pursuing low-grade deposits (of coal and iron) for nationalist considerations. Thus it is no surprise that despite the resurgent nuclear power program the government has done little to reactivate the mines that CNEA has either exploited in the past or mooted as attractive for future exploitation. This means that the government, if it truly wants a vertically integrated industry, shall have to give its blessing to foreign operators.

As for the provincial government, Rio Negro is staunchly pro-nuclear as a number of the CNEA's processing facilities and labs are in the province. The isolation of the Blue Sky project from centres of population is also, perversely, a plus.

### **Conclusion**

During the "double eclipse" of Argentina's political dark period and the uranium gloom the Grosso Group was able to circle the wagons and ensure that its project's moved forward even if at a glacial pace and remained solvent. Earlier this year the reward for doing so paid off for Golden Arrow and last year the Lithium uplift focused the spotlight back on the group's Lithium play. Blue Sky's moment look like it

was delayed until Uranium finally made its turn but the shift in Vanadium pricing may actually be the unexpected catalyst for an earlier move than anyone would have forecast.

To derisk such a story the best logic is to search for a uranium property in a natural market. Clearly Argentina is a natural market with an existing nuclear power plant fleet that is currently under expansion and yet no indigenous mine production of Uranium. So the ideal uranium development story in Argentina is one in a pro-mining province (such as Rio Negro) and at some distance from any substantial settlement (such as Amarillo Grande). Few miners dabbling in the Argentine space though appear to have cottoned on to the possibilities presented by making themselves an integral part of the revived nuclear power program in Argentina as Blue Sky has done.

There would appear to be a compelling logic for a coherent mine to generator vertical integration in the Argentine nuclear industry with the only thing lacking is a project advanced enough to capture the government (and CNEA's) imagination to make this happen. The government realizes though that rising nuclear capacity will mean rising imports of a mineral which Argentina already has in sufficient abundance for its own needs. Blue Sky is the obvious supplier to this need.

With Vanadium potential adding a thruster to the development potential at Amarillo Grande, we rate Blue Sky at this time as a **Long** with a twelve month target price of 32 cents.



## Important disclosures

I, Christopher Ecclestone, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Hallgarten's Equity Research rating system consists of LONG, SHORT and NEUTRAL recommendations. LONG suggests capital appreciation to our target price during the next twelve months, while SHORT suggests capital depreciation to our target price during the next twelve months. NEUTRAL denotes a stock that is not likely to provide outstanding performance in either direction during the next twelve months, or it is a stock that we do not wish to place a rating on at the present time. Information contained herein is based on sources that we believe to be reliable, but we do not guarantee their accuracy. Prices and opinions concerning the composition of market sectors included in this report reflect the judgments of this date and are subject to change without notice. This report is for information purposes only and is not intended as an offer to sell or as a solicitation to buy securities.

Hallgarten & Company or persons associated do not own securities of the securities described herein and may not make purchases or sales within one month, before or after, the publication of this report. Hallgarten policy does not permit any analyst to own shares in any company that he/she covers. Additional information is available upon request.

Hallgarten & Company acts as a strategic consultant to Blue Sky Uranium and as such is compensated for those services, but does not hold any stock in the company, nor has the right to hold any stock in the future.

© 2017 Hallgarten & Company, Ltd. All rights reserved.

Reprints of Hallgarten reports are prohibited without permission.

### Web access at:

Research: [www.hallgartenco.com](http://www.hallgartenco.com)

60 Madison Ave, 6th Floor, New York, NY, 10010